
- ANS: T PTS: 1 DIF: Easy

- a. 2 c. 7

b. 4

d. 12

ANS: D

12

PTS: 1

DIF: Easy

2. According to the National Restaurant Association (NRA), on a typical day in 2008, the food service industry expected to post sales of:

a. \$1.53 billion

c. \$1 billion

b. \$3 billion

d. \$2.5 billion

ANS: A

\$1.53 billion

PTS: 1

DIF: Easy

3. The average annual household expenditure for food away from home in 2008 was:

a. \$4,206

c. \$3,000

b. \$2,676

d. \$1,500

ANS: B

\$2,676

PTS: 1

DIF: Easy

4. The manager's key job functions lie in cost control, specifically in the following areas:

a. planning for labor productivity controls

b. financial reporting, and other duties such as developing revenue strategies and expense control systems

c. evaluating and consulting

d. protection and maintenance of company assets

e. all answers are correct

ANS: E

all answers are correct

PTS: 1

DIF: Easy

5. There are many approaches to forecasting. In selecting a specific method that suits the circumstances, which of the following are considered important criteria?

a. Is the method practical?

b. What resources and data must be available to make it work?

c. Is this method cost-effective?

d. Are its end results useful and reliable?

e. All answers are correct

ANS: E

All answers are correct

PTS: 1

DIF: Easy

6. A high inventory turnover ratio—a figure calculated to show how quickly a company is using products—may indicate that:

a. the unit is buying too much stock

- b. the unit inventory is exposed to theft
- c. the unit is not buying too much stock
- d. the unit revenue is below forecast

ANS: C

the unit is not buying too much stock

PTS: 2

DIF: Average

7. The bulk of the industry consists of _____ eating places.
- a. institutional
 - b. commercial
 - c. military
 - d. none of these answers is correct

ANS: B

commercial

PTS: 1

DIF: Easy

8. The term *FTE* refers to a measurement equal to:
- a. one staff person consistently working overtime
 - b. a group of staff persons working a full-time work schedule
 - c. one staff person working a full-time work schedule for one year
 - d. two or more staff persons working a full-time work schedule for one year

ANS: C

one staff person working a full-time work schedule for one year

PTS: 1

DIF: Easy

9. What are the main factors behind higher food commodity costs in the United States?
- a. weather-related production problems
 - b. increased use of some food commodities, such as corn, for biofuel uses
 - c. stronger global demand for food
 - d. all answers are correct

ANS: D

all answers are correct

PTS: 1

DIF: Easy

10. What is the biggest challenge and opportunity the food service industry faced in 2008?
- a. maintaining customer loyalty
 - b. employee retention
 - c. high utility-gas costs
 - d. high insurance

ANS: A

maintaining customer loyalty

PTS: 1

DIF: Easy

SHORT ANSWER

1. If a hotel has 250 rooms, how many room nights are available in a thirty-day month?

ANS:

7,500 room nights

PTS: 1 DIF: Easy

2. Assume there are 7,500 room nights. If 5,800 rooms are occupied during a period, what is the occupancy percentage?

ANS:
77.33 percent

PTS: 1 DIF: Easy

3. What is a food and beverage forecast?

ANS:
A food and beverage forecast is a quantitative report that attempts to predict the outcome of a series of events, with little or no effort made to control the results of those events.

PTS: 3 DIF: Challenging

4. Why is it important to analyze the inventory turnover ratio?

ANS:
To control costs

PTS: 1 DIF: Easy

5. Define full-service restaurant.

ANS:
The term *full-service restaurant* refers to more formal, complete table-service operations; limited-service restaurants are those that are less formal, such as fast-food and take-out eateries.

PTS: 1 DIF: Easy

6. What is a full-time equivalent?

ANS:
The term *FTE* refers to a measurement equal to one staff person working a full-time work schedule for one year. It is also a way to measure an employee's productivity in a project.

PTS: 1 DIF: Easy

7. Explain the meaning of cost.

ANS:
Cost, also referred to as expenses, describes the sum of all money paid out for goods and services during a given period of time; these are the costs of goods and services used in the process of obtaining revenue.

PTS: 1 DIF: Easy

8. A key phrase in the food and beverage manager's vocabulary is cost-effective controls. Why?

ANS:

Managers use cost-effective control alternatives to rectify cost inefficiencies or, in short, to minimize costs while maximizing profits. The manager believes that controls must be cost-effective and balanced. They must not impact the customer's perceived value; nor must they run astray of safety laws or lead to financial losses.

PTS: 1 DIF: Easy

9. What are key performance indicators (KPI) used for?

ANS:

To measure progress

PTS: 1 DIF: Easy

10. Give an example of how Key Performance Indicator (KPI) for Inventory Turn is calculated.

ANS:

Cost of goods sold divided by average inventory

PTS: 1 DIF: Easy